

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF UTAH

CENTRAL DIVISION

In re:)	First Interim Application for
)	Compensation for
)	Accountant to the Trustee
STEPHEN LAMAR CHRISTENSEN and)	
VICTORIA ANN CHRISTENSEN)	Chapter 7
)	
)	Bankruptcy No. 12-28010
Debtors.)	
)	

FIRST INTERIM APPLICATION OF TRUSTEE'S ACCOUNTANT
FOR ALLOWANCE OF COMPENSATION
AS AN ADMINISTRATIVE EXPENSE

TO: THE HONORABLE JUDGE JOEL T. MARKER, UNITED STATES BANKRUPTCY
JUDGE:

The application of Rocky Mountain Advisory, LLC ("Applicant"), Accountants for the Trustee of the above referenced estate, respectfully represents:

1. On the 27th day of February 2013, an Order was entered granting the appointment of a Chapter 11 trustee in the Bankruptcy Cases for the jointly administered cases of the above referenced debtor and VS Foxridge, LLC. On March 1, 2013 Mr. David L. Miller was appointed as Chapter 11 Trustee.

2. Pursuant to an Order with the Court, your Applicant was employed as the Accountant for the Trustee of the estate of the above named debtors and VS Fox Ridge, LLC.

3. The case was converted to a Chapter 7 on August 23, 2013. David L. Miller was appointed as Chapter 7 Trustee and Rocky Mountain Advisory was appointed as Accountants for the Trustee of the above named debtors.

4. Pursuant to 11 U.S.C. § 328, your Applicant makes this application for an allowance for reasonable compensation for services rendered by your Applicant in this proceeding from August 23, 2013 through June 30, 2014.

5. All services for which your Applicant seeks compensation were performed for and on behalf of said bankruptcy estate and not on behalf of any other estate or individual creditor or other person, and no agreement or understanding exists between your Applicant and any other persons for division of compensation.

SUMMARY OF SERVICES RENDERED

6. Your Applicant has rendered professional services to the Trustee, including the following:

- a. CASE ADMINISTRATION – Your Applicant has prepared monthly operating reports. Prepared final Chapter 11 report. Compiled accounting records and case files in response to conversion to a Chapter 7 bankruptcy.
- b. FEE APPLICATIONS – Your Applicant has prepared and submitted the first interim and second and final fee applications for the Chapter 11 bankruptcy filing. Your Applicant also began preparation of the first interim fee application for the Chapter 7 bankruptcy filing.
- c. TAX ISSUES – Your Applicant has analyzed information and documentation for preparation of tax returns, communicated with debtor tax professionals and debtor, and analyzed tax issues related to IRS gift tax claim. Determined allocation of income from partnerships between debtor and the Christensen's estate. Your Applicant reviewed 2010 IRS correspondence and 2010 amended K1 from Mountain Home and Fox Ridge investments and met with debtor and trustee regarding 2010 amended returns and their impact on the estate. Your Applicant prepared and submitted the 2012 federal and state tax returns for Stephen and Victoria Christensen, and prepared, verified, and submitted 2013 IRS Forms 1099 Misc. and 7004 – Tax Extension.

COMPENSATION PAID AND/OR PROMISED AND ITS SOURCE

7. Your Applicant has received \$26,719.64 for the first interim and second and final fee application for the jointly administered Chapter 11 bankruptcy estates of VS Fox Ridge, LLC and Stephen and Victoria Christensen.

8. There is no agreement or understanding between your Applicant and any other person for the sharing of the compensation to be received for the services rendered in this case.

PERSONNEL

9. The following Rocky Mountain Advisory, LLC personnel billed time in this application. Total time billed by each person by project is included in Exhibit A.

<u>Personnel</u>	<u>Hourly Rate</u>
Gil Miller	\$350
John Curtis	255
Matt Connors	255
Elizabeth Williams	195
Luke Houston	195
Emily Zarbock	185
Heather Young	185
Katie Taylor	80
Raani Erekson	80

DISBURSEMENTS

10. Your Applicant has been required to spend \$49.30 as Accountant for the Trustee for the period August 23, 2013, through June 30, 2014, for copying documents, travel expenses, and for other actual and necessary expenses as outlined in detail on the itemizations of actual expenses attached hereto (Exhibit A). Accordingly, the disbursements as Accountant for the Trustee for the period August 23, 2013, through June 30, 2014 are \$49.30.

EVALUATION OF SERVICES

11. For the period August 23, 2013 through June 30, 2014, your Applicant has rendered services valued at \$12,977.00, as Accountant for the Trustee in connection with the above matters. This amount is based on services having been performed by various members of your Applicant's accounting firm and are itemized in detail on the attached time summary (Exhibit A). Services have been rendered at the reasonable rates identified in the attached time summary. Such rates are comparable to those charged by other accounting firms for comparable accounting services in the Salt Lake City, Utah accounting community for the time period indicated herein.

WHEREFORE, your Applicant prays that it be awarded and paid the sum of \$12,977.00 for compensation for professional accounting services and \$49.30 reimbursement of expenses incurred by your Applicant as accountant in this case for a total amount of \$13,026.30 for the period August 23, 2013, through June 30, 2014. Your Applicant also requests payment of said approved fees and expenses.

DATED this 23rd day of July, 2014.

ROCKY MOUNTAIN ADVISORY

/s/ John Curtis
John Curtis

EXHIBIT A

Rocky Mountain **RMA**
A D V I S O R Y

215 South State Street
Suite 550
Salt Lake City, UT 84111
801.428.1600

David L. Miller, Trustee
117 West 200 South
P.O. Box 9
Farmington, UT 84025

July 23, 2014
Invoice # 11467
Billing for: 08/23/13 to 06/30/14

RE: Stephen and Victoria Christensen Bankruptcy Estate

Professional Services Summary

Name	Hours	Rate
Gil A. Miller	0.10	\$35.00
John H. Curtis	0.60	\$153.00
Matt H. Connors	2.90	\$739.50
Elizabeth Williams	54.60	\$10,647.00
K. Luke Houston	6.10	\$1,189.50
Emily W. Zarbock	0.10	\$18.50
Heather Young	0.10	\$18.50
Katie Taylor	1.10	\$88.00
Raani Erekson	1.10	\$88.00

Professional Services Detail

Date	Init.	Description	Hours	
<u>Case Administration</u>				
08/26/13	EW	Discuss Chapter 7 conversion and associated monthly reports with G. Miller.	0.10	\$19.50
09/06/13	EW	Email trustee and counsel regarding monthly reports (.1). Begin preparation of monthly reports for Christensen (.3).	0.40	\$78.00
09/09/13	EW	Update August narratives and submit to M. Johnson for review (.1). Continue preparation of monthly reports (.2).	0.30	\$58.50
09/10/13	EW	Update monthly reports to incorporate narratives and professional fees (.2). Review and update G. Miller declaration and trustee application to employ (.1).	0.30	\$58.50

David L. Miller, Trustee

July 23, 2014

Date	Init.	Description	Hours	
09/10/13	GAM	Work on Chapter 7 employment documents.	0.10	\$35.00
	HY	Review email from M. Johnson regarding application documents for converted case and forward to E. Williams.	0.10	\$18.50
09/11/13	EW	Update monthly reports (.2). Finalize G. Miller declaration and application to employ and submit to G. Miller for signature (.1).	0.30	\$58.50
09/12/13	EW	Finalize monthly reports for submission to G. Miller.	0.80	\$156.00
09/25/13	EW	Review email from J. Gee regarding monthly reports and research code in response to same.	0.10	\$19.50
10/01/13	EW	Various emails with G. Miller and counsel regarding final Chapter 11 report (.1). Review monthly reports and correspondence from J. Gee of US Trustee office regarding same (.2). Compile accounting records and case files in response to conversion to Chapter 7 (.4)	0.70	\$136.50
10/02/13	EW	Finalize case files and accounting information in response to conversion to Chapter 7.	0.50	\$97.50
SUBTOTAL:			[3.70]	\$736.00]

Fee Applications

09/27/13	JHC	Reviewed fee application and details of services rendered.	0.20	\$51.00
	EW	Review fee application and submit updates to R. Erikson.	0.20	\$39.00
02/10/14	EW	Review fee application for submission to G. Miller.	0.20	\$39.00
02/18/14	EW	Review invoices in preparation for interim fee application.	0.50	\$97.50
03/10/14	EW	Review fee application for proper time allocation.	0.20	\$39.00
03/24/14	RE	Preparation of first interim fee application.	0.80	\$64.00
03/27/14	JHC	Reviewed fee application and provided comments to R. Erikson.	0.20	\$51.00
03/31/14	EW	Discuss time reporting with M. Connors and email regarding same.	0.20	\$39.00
04/01/14	EW	Update fee application for R. Erikson.	0.10	\$19.50
04/02/14	EW	Finalize fee application inputs.	0.10	\$19.50
05/21/14	RE	Update fee application.	0.30	\$24.00
05/22/14	JHC	Reviewed fee application and descriptions of services rendered.	0.20	\$51.00
SUBTOTAL:			[3.20]	\$533.50]

Tax Issues

09/17/13	EW	Analyze and summarize financial information in preparation for tax returns.	2.10	\$409.50
09/23/13	EW	Discuss tax returns with L. Houston (.4). Update tax schedules in response to same (1.1)	1.50	\$292.50

David L. Miller, Trustee

July 23, 2014

<u>Date</u>	<u>Init.</u>	<u>Description</u>	<u>Hours</u>	
09/23/13	KLH	Reviewed 2012 accounting, tax returns and supporting disclosures for S. Christensen and V. Christensen (1.1). Tax research related to various Chapter 11 income items (2.3). Discussion with E. Williams regarding updates to be made tax returns (.4).	3.80	\$741.00
	MHC	Discussion with L. Houston regarding preparation of the Christensen returns.	0.40	\$102.00
09/25/13	EW	Update trial balance and schedules for tax returns and discuss same with M. Connors (1.8). Update tax returns in response to same (1.2). Research tax code for proper allocation and reporting of partnership income to bankruptcy estate (2.0). Various discussions with L. Houston regarding same (.4). Phone call with D. Miller and M. Johnson to discuss information needed from debtor for allocation (.5).	5.90	\$1,150.50
	KLH	Discussion with E. Williams regarding amended tax returns and tax reporting (.2). Tax research related to K-1 reporting (.4).	0.60	\$117.00
	MHC	Discuss with E. Williams schedules K-1 related to the Christensens and the potential for amending the VS Foxridge return contingent on further research of the matter.	0.30	\$76.50
09/26/13	MHC	Meet with E. Williams and L. Houston to review the results of tax guidance research and resolved not to amend but allocate income and deductions based on the number of days in bankruptcy (.6). Review letter to the members of the LLC and allocation of schedules K-1 (.3).	0.90	\$229.50
	EW	Research tax code and review IRS notices for proper allocation of income between debtor and bankruptcy estates (2.9). Discuss allocation with M. Connors and L. Houston (.3). Prepare IRS Notice 2006-38 allocation schedules (2.3). Prepare letter to debtors and email M. Connors regarding same (.6). Email trustee regarding same (.1).	6.20	\$1,209.00
	KLH	Discussion with E. Williams regarding tax return updates (.2). Tax research related to Chapter 11 allocations (.3). Meeting with E. Williams and M. Connors (.3).	0.80	\$156.00
09/27/13	EW	Prepare tax memo and supporting documentation from Internal Revenue Code (1.6). Verify allocations, finalize schedules and letter to debtor (.7).	2.30	\$448.50
09/30/13	EW	Prepare and issue corrected allocation schedule to debtor (1.5). Email trustee regarding same (.1). Review US Postal Service web site for delivery confirmation of debtor mailings and update tax files (.2). Prepare 2012 federal and Utah tax returns for the Christensen estates (3.6).	5.40	\$1,053.00

David L. Miller, Trustee

July 23, 2014

Date	Init.	Description	Hours	
10/02/13	EW	Review correspondence and tax documents from S. Christensen (.4). Analyze tax impact to debtor and estate regarding same (1.9). Meet with L. Houston regarding Christensen estate 2012 tax returns and update in response to same (.8). Various emails with M. Johnson regarding meeting with debtor (.1).	3.20	\$624.00
	KLH	Reviewed updated accounting, tax returns and disclosures (.8). Discussion with E. Williams regarding updates (.1).	0.90	\$175.50
10/03/13	EW	Meet with debtor, D. Miller, and M. Johnson regarding tax issues related to 2010 amended tax returns from Fox Ridge Investments.	2.50	\$487.50
10/04/13	EW	Verify income information on Christensen tax returns in response to meeting with debtor (.3). Update case files and notes in response to meeting with debtor (.3).	0.60	\$117.00
10/07/13	MHC	Review and deliver comments regarding Christensen income tax return.	0.90	\$229.50
	EW	Update tax returns per review notes from M. Connors (.4). Discuss same with M. Connors (.1).	0.50	\$97.50
10/08/13	EW	Review IRS notices from partnerships regarding audit and assess impact on 2012 tax returns (.2). Update disclosure statement for Christensen tax returns per M. Connors (.6).	0.80	\$156.00
10/09/13	EW	Finalize Christensen disclosure statement and tax returns and submit to M. Connors.	0.30	\$58.50
10/14/13	EW	Update Christensen tax returns per review notes from M. Connors and compile for submission (1.3). Email trustee regarding same (.1).	1.40	\$273.00
	MHC	Review revised 2012 returns and sign.	0.40	\$102.00
	KT	Compiled tax returns for the 2012 tax year for Stephen & Victoria Christensen.	0.80	\$64.00
10/15/13	EW	Meet with trustee to sign tax returns.	1.40	\$273.00
10/22/13	EW	Update Christensen tax files with UST correspondence.	0.10	\$19.50
10/29/13	EW	Update Christensen tax files with IRS correspondence.	0.10	\$19.50
11/19/13	EW	Verify receipt of Christensen tax returns with USPS and update file regarding same.	0.20	\$39.00
12/03/13	EW	Review email from Mountain Home Development regarding Christensen NOL reporting.	0.20	\$39.00
12/05/13	EW	Phone call with S. Rasmussen regarding Christensen estate suspended losses of Mountain Home Development.	0.20	\$39.00
12/11/13	EW	Analyze IRC and tax files to determine amount of Christensen suspended loss to report to Mountain Home Development (1.3). Email S. Rasmussen regarding same (.1).	1.40	\$273.00
12/16/13	EW	Email and phone message for L. Newton regarding requested tax information for Christensen estate.	0.10	\$19.50

David L. Miller, Trustee

July 23, 2014

Date	Init.	Description	Hours	
01/09/14	EW	Compile financial information needed for 2013 IRS Forms 1099 Misc. and prepare same.	1.10	\$214.50
01/23/14	KT	Verify and confirm 1099 information for Stephen Christensen.	0.20	\$16.00
01/28/14	KT	Prepared 1099's for mailing.	0.10	\$8.00
	EWZ	Review IRS forms 1099's and print for mailing.	0.10	\$18.50
02/03/14	EW	Verify submission of IRS Forms 1099 and update schedule.	0.10	\$19.50
02/04/14	EW	Phone call with S. Rasmussen regarding IRS gift tax claim (.3). Phone call with M. Johnson regarding same (.1). Review IRS claim form (.1).	0.50	\$97.50
02/05/14	EW	Research IRC regarding gift tax limits and requirements for tax year 2009 (.7). Review IRS claim form and documents received from M. Christensen regarding gift tax claim (.6). Phone call with D. Miller regarding same (.1). Prepare document request schedule for submission to S. Rasmussen (.2). Compile information in preparation for meeting with M. Christensen and counsel (.4).	2.00	\$390.00
02/06/14	EW	Meeting with M. Christensen, D. Miller, M. Johnson, S. Christensen, and S. Rasmussen regarding IRS claim against Christensen estate.	2.00	\$390.00
02/07/14	EW	Analyze Form 2 to determine 2013 income tax filing obligation for Christensen estate (.1). Email M. Johnson regarding fee application (.1).	0.20	\$39.00
02/11/14	EW	Phone call with D. Hill of IRS regarding calculation of gift tax claim.	0.10	\$19.50
02/12/14	EW	Review letter to IRS regarding Christensen gift tax claim (.3). Email D. Miller and M. Johnson about IRS phone call regarding same (.3).	0.60	\$117.00
02/19/14	EW	Prepare schedule of Mountain Home Development suspended tax losses and submit to L. Newton.	1.00	\$195.00
03/21/14	EW	Submit IRS Forms 1099 Misc to Internal Revenue Service.	0.10	\$19.50
04/02/14	EW	Analyze IRS notice sent by S. Rasmussen (.2). Review debtor tax returns in response to same (.3). Email S. Rasmussen and phone call with IRS regarding same (.3)	0.80	\$156.00
04/04/14	EW	Email D. Miller regarding tax notice.	0.10	\$19.50
04/07/14	EW	Phone call with D. Hill of IRS regarding tax lien notice sent to debtor.	0.20	\$39.00
04/08/14	EW	Email trustee regarding phone call with IRS.	0.20	\$39.00
04/10/14	EW	Prepare IRS form 7004 tax filing extension for Stephen and Victoria Christensen estates.	0.30	\$58.50
04/28/14	EW	Phone call with S. Christensen regarding USTC tax issues (.3). Phone call with USTC regarding same (.2).	0.50	\$97.50
04/30/14	EW	Email trustee regarding Christensen personal tax issue.	0.10	\$19.50

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David L. Miller, Trustee

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Date	Init.	Description	Hours	
05/07/14	EW	Multiple phone call with S. Christensen regarding personal tax returns and needed information (.4). Compile tax documents requested by debtor (1.0). Meet with S. Christensen regarding same (.4).	1.80	\$351.00
05/09/14	EW	Compile tax records in preparation for tax meeting (.2). Tax meeting with M. Johnson and D. Miller (.8).	1.00	\$195.00
05/21/14	EW	Analyze offer in compromise options in response to phone message from S. Christensen.	0.10	\$19.50
05/22/14	EW	Phone call with S. Christensen regarding offer in compromise.	0.10	\$19.50
06/02/14	EW	Phone call with S. Rasmussen regarding S. Christensen personal 2012 and 2013 taxes.	0.30	\$58.50
SUBTOTAL:				[59.80 \$11,707.50]

Total for professional services rendered 66.70 \$12,977.00

Expenses

Date	Init.	Description	Copies	
10/31/13	RE	Copying cost (235 copies at \$.15 per copy)		\$35.25
05/31/14	RE	Copying cost (39 copies at \$.15 per copy)		\$5.85
SUBTOTAL:				[\$41.10]

PACER

05/31/14	RE	PACER	\$3.60
SUBTOTAL:			[\$3.60]

Supplies - Tax Forms

03/31/14	EW	2013 1099 Misc. tax forms	\$4.60
SUBTOTAL:			[\$4.60]

David L. Miller, Trustee

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Total expenses	\$49.30
Total new charges	\$13,026.30
Balance due	\$13,026.30